

GEORGE STEFFES TRANSCRIPT
“Lobbying in the Capitol”

Recorded May 17, 2017
Edited for clarity and continuity

Lou Cannon: You left in 1972 and you worked more than four decades, helping found the firm Capital Partners. I'd like you to talk a little about that and also, has Sacramento over the course of these times changed in any way? And has lobbying changed? What did you see when you started? What do you see now?

George Steffes: Well, first of all, much like my late trip to mass back when I started, my entry into lobbying was totally a surprise to me. I never planned to be a lobbyist. I planned to come back to LA and go back into the business. A man named Bob Beckus came to me and said that he wanted to start a multi-person lobbying firm and until then there was no such thing as more than one person in a firm lobbying. There were just strictly one-man operations and they were one-man operations. They were no women lobbyists. His idea was to run the lobbying business like a business. One of his premises was if one good person could do a good job, then three could do a better job. He and Loren Smith, who was the third partner, started the first multi-person firm. Like the people that I've been associated with in business, Bob really felt that we needed to represent our clients honestly and as business-like, and that's what we did. One of our first bills was a bill for the new car dealers in California, which created the New Motor Vehicle Board, which put clamps on the automobile manufacturers because the car dealers felt they weren't getting a good enough shake in the world of business. We got that bill through, and the governor signed it. It really showed how doing something in a business-like way could get things accomplished in Sacramento.

What has changed over the years? The legislature back then, as you well know, was in many, many ways, almost non-partisan in the daily activities. It wasn't nearly as Republican and Democratic-split as it is today. In those days, people could talk much more directly to legislators. We, in the business, could talk more directly to legislators. Any citizen coming to Sacramento had a chance of getting in to see his or her legislator. I think one of the things that's changed for the worse is that today, a single constituent coming to Sacramento is almost never going to get to see the legislator. They're going to see staff people. The government has become, I think, much more disassociated from normal people than it was back then.

Lou Cannon: Why did that happen? Was it term limits?

George Steffes: Well, it's... Term limits, yeah. Term limits really exacerbated the problem. The government is much bigger. It's huge compared to what it was in '67. The budget in '67 was six billion dollars. Last year, what was it? Over a

hundred billion dollars, so it's much bigger, much more staff than the legislature had. I remember before I came up here, back in probably '62 or '63, was the first year that the legislators had full-time staff people, and each legislator got one full-time staff person. Now, you could go in any office, you're going to find five or ten or more, so it's gotten much bigger.

Lou Cannon: And why so partisan?

George Steffes: Because our society is much more partisan. I don't blame the government for being partisan. I think our society is much more partisan. We're much less willing to listen to anybody who disagrees with us.

Lou Cannon: I interviewed you on February 4, 2009, when Schwarzenegger was governor, and this legislation's in budget gridlock. I don't know why. I guess because I typed out that interview. I didn't used to type out my interviews. I still have them. I asked you why California had such persistent fiscal problems. (And you said:) "What's missing is that there aren't people out here who came here to do something else like Jess Unruh and Moretti. There's no one who says, 'This is the right thing to do, and I'm going to do it even though it might cost me my seat in the next election.'" First of all, that was eight years ago. Is that still the case? I take your point, we're more partisan nation, but that still wouldn't preclude people wanting to come up there and do things like Bob Moretti did.

George Steffes: If I look at the Legislature, the individual members of the legislature, back in '67 when I started with Reagan or today, I can find people who came up here to do something and who are sincere in wanting to accomplish improvements for the State of California. The system is not functional. There's a lot of functional individuals but the system, as a whole, doesn't function well. I think, again, part of it goes back to the term limits time, when there was literally almost no one with any memory of what went on before in the Legislature. You didn't have the Jack Knoxes and the Carly Porters and the people who are experts in subject areas, and were all so experienced in the legislature and in government to counsel the new players that are coming up, so you had a period with institutional memory just non-existent, and we got away from leadership proposing. Now leadership talks about individual subjects that are interesting to the leadership, when the primary job of the leadership should be making the system function, and they don't do that today like they used to do, like Jess Unruh did when he was speaker.

Lou Cannon: We were talking about the difference in the legislature when you were there, when I was there, and there were people who really did care about California. I didn't realize until afterward, maybe because I was covering Congress, how much they cared. I mean many... I don't know. Jack Knox? He'd been on for a long time about bills that... Monagan and Venemann. But I guess I'm going to ask you. I know there's a tendency to be nostalgic for the old days, but I am nostalgic for them, because I think if California was better governed,

then. I think you have the conservative Republicans like Frank Lanterman doing something about mental illness. It wasn't a partisan issue. I want to ask if you could name anyone, a governor or staff member or legislator or anybody else, whom you think played a significant role in making California governance better during the time you were in Sacramento.

George Steffes: When I first came in, Hugh Burns was Pro Tem of the Senate, and the stable part of the legislature was more in the Senate because prior to the one-man one- vote, the way the Senate came about. I think Hugh Burns was a steadying influence. George Miller made Reagan a better governor than he would've been otherwise, because he tested him. I think Dede Alpert at the end of... At the other end of...

Lou Cannon: Time period, yeah. Why don't you tell who Dede Alpert was?

George Steffes: Dede Alpert was a senator, now retired, a senator from San Diego area, who was very instrumental in the master plan of education and things education in general. I remember going once to a convention for a group, and they had Dede as their speaker. In the question and answer period at the end of her speech, somebody asked her about a bill, what her position was on the bill, and she... I found myself listening to her talk very forthrightly about what she was going to do on the bill. I remember thinking to myself, "That's not the kind of conversation I generally hear from members." That's why I think she was one of the great ones, because she was a very... She didn't think she had to put on a front when she was talking to constituents. She could talk to them honestly. This particular bill, she was taking a position that would probably not be popular to people. It didn't bother her at all. That was her position, and she took it.

Bob Foster, who is the former mayor of Long Beach, was very successful two terms as mayor of Long Beach, and he felt very strongly that part of the things that were getting politicians into trouble today is that they feel the need to put on a presentation for constituents, as opposed to just telling honestly the way things are. I don't think the good old days were any great difference in that. I think we have the same kinds of things, but the people who were the exceptions were Ken Maddy, who was a Republican senator from Fresno in twenty-something percent Republican area, who was not afraid to tell people the way things were, including his close personal friends when he disagreed with him about issues.

Lou Cannon: I was wondering if there is anything, where we are where we are in California, whether the good old days were good or not, we can't go back, but what is the most urgent need that you see in government now, particularly California State government?

Is there something that can be done to remedy? What's your...

George Steffes: Oh, I think the need that would solve this problem the best would be if normal Californians took more interest in what was going on in Sacramento

and put more interest in what their representatives were doing in Sacramento. I think there's almost no interest in Sacramento in California by regular people, by people now, and that would help a great deal.

Lou Cannon: How are ordinary people supposed to learn what their representative is doing? When I was covering the capital from 1965 until Reagan came in from '66 to '69, we had ten television stations. Ten stations from around different places in California covering. In Los Angeles, there was regular dose of political news on the air every night from people like Bill Stout, you know. You don't have any of that now. I mean you can watch the news from morning to night and you won't see anything about any legislator in Sacramento. And Jerry Brown's budget barely broke into the news.

George Steffes: I think what we were talking about, what could improve things, is that I think conversely, and I'm reading books about it and feel really strongly about it is the greatest danger to the future of our state and country is the degradation of the free press, the lack of people reporting in Sacramento compared to back when you were there. I think there's a great danger that the free press is not effective as it was years ago, and it's getting less effective the more the media campaigns are interested in the bottom line, rather than providing the service of the free press.

Lou Cannon: Well, the media companies have been devastated. They lost money hand over fist, you know. I don't know how many people are reading the news. Sixty percent of Americans, according to Pew, gets its news... Television is a primary source and I think the second source is news from the Internet. I rode up a plane today from Santa Barbara with a young woman who is brilliant. She's got probably a bright future in science ahead of her. She wouldn't have known anything about the legislature. I'm not sure she knew who Jerry Brown was. I wondered if there's any... I read a lot of books about this too, and I just wondered if there's any way to rekindle interest in what's going on in Sacramento.

George Steffes: I sure don't have an answer to it.

Lou Cannon: You've been in Sacramento as I counted during the reigns of six governors: Reagan, whom we've talked about, George Deukmejian, Pete Wilson, Gray Davis, Arnold and Jerry Brown twice. Starting with Deukmejian, who was the one who came in after Jerry Brown One tell me a little bit about what you think about each of these people and what they did.

George Steffes: I think the best governor of all of those, the way I like a governor to be, is George Deukmejian, and primarily, I think that because George Deukmejian was interested only in doing a good job as governor. He was not interested in other offices and being a big power. He was interested in being a good governor, and I think he was the best.

Lou Cannon: What about Pete Wilson? It seemed to me he started well. He had this huge (budget) deficit and he got Republicans to accept some tax increases and Willie Brown got the Democrats to accept some cuts, never easy, but it seemed to me later on he had trouble. He kind of lost his way on things. What do you think about Pete?

George Steffes: Well, I think he's the converse of George. Later on, he got thinking about a higher office, and I think he was more politically oriented than George. I think also he may have had some staff problems, too, like not having sufficient staff for some of the things that needed to be done.

Lou Cannon: I remember coming back for some reason to California and running into George Deukmejian. It wasn't quite at iHop but it was some lower down the food chain. He was eating something and he said, "Come over and join me." At that time, it must have been before we knew who George H. W. Bush was going to choose as his vice president running mate, and Deukmejian's name was mentioned. I said, "What will you do if they offer you that?" He said, "I wouldn't take it. I don't want to be vice president. I just want to..." He said kind of he's satisfied doing a good job as governor.

George Steffes: Yeah, that was George.

Lou Cannon: And he didn't have any ambition at all for higher office that I could see.

George Steffes: No.

Lou Cannon: What about Arnold? Let's say Gray Davis. I never thought Gray Davis was going to be recalled but he was. What happened to him?

George Steffes: He had no friends. He didn't know how to make friends, and he wasn't straight with people a lot, and that did him in in the end.

Lou Cannon: And he didn't really have much of a base, did he?

George Steffes: Nope.

Lou Cannon: What about Arnold? He came in with high hopes there. You know, I have to tell you: I thought Arnold, at first, might actually do something. And there were some issues, climate change being one, where he was good. I think you said to me once that Arnold didn't study. He didn't learn. He didn't dig into the basics of the job.

George Steffes: Absolutely. He was a star. In his own mind, he was a star, and therefore, you don't need to study.

Lou Cannon: But he was a star in a different way than Reagan.

George Steffes: Oh, yeah. Yeah. I never saw Ronald Reagan do anything in the five years that I was around there to push himself ahead, to walk to the center of a picture so that he would get the best part of the picture. The things you see a lot of politicians do all the time, Reagan never did. What I said earlier about I think his basic nature was trust, trusting. He didn't worry about whether he was... I don't think he worried about whether he was going to succeed or fail. Part of it was fatalism, but part of it was everything will be fine.

Lou Cannon: He also had a disdain for the polls. I remember he didn't care about the polls.

George Steffes: I can remember one. We didn't have focus groups. We didn't look at polls. We were studying issues to see how the people might think about it. When we were getting ready, we meaning Ronald Reagan, when we were getting ready to make decisions, the only answer was: Is this a good thing or a bad thing or which way is the best way to go? As I said, I can't remember ever having a focus group to see how real people felt.

Lou Cannon: Last but certainly not least, Jerry Brown, who's the only governor in the history of the United States, not only in California, who's had a reincarnation so far from his original time. Could you talk about Jerry Brown the first time he came in as governor and the second time, because I think they're a little different?

George Steffes: One of my sons and I were talking on the phone probably earlier in the governor's first term or midway through the governor's first term, and my son said, "What do you think of Jerry Brown?" I said I think he's doing a pretty good job, and a Republican governor couldn't do as well in fiscal responsibility, and he laughed on the phone. I said, "What are you laughing about?" He said, "Dad, I remember on Jerry Brown's first term, you never said a kind word about him in four years." He was, in his first term... I think he was a neglected offspring under Pat Brown, and then he really smarted over that in his younger years. Now, he is a success. In his own mind and most other people's minds, he's done a good job as governor. He's one of the few people you could... Because he's been around so long and has done two different terms as governor, you can see the change in him that you don't see in most politicians, but he really has changed.

Lou Cannon: In the first term, Jerry seemed to me almost flippant about things. I remember him casually saying to this astronaut at some meeting at the expo in Southern California about how the state was going to have its own satellite, but Brown really did think that. They said, "Well, of course all states will have them." I

thought I was in a science fiction movie or something. Now, I personally trace a lot of this to when he was governor, when he was mayor of Oakland.

George Steffes: Yeah, I think that's correct.

Lou Cannon: When he was mayor of Oakland, he went around and talked to people, and I remember a guy telling me who is an African American guy, said he went to the toughest neighborhoods by himself. I wouldn't go there. He said he would go to these crime-ridden neighborhoods just by himself. This was when he was running – and talked to people. He was apparently fearless and impressed people, so it seems to me that we now have a Democratic super majority in the state, but in a sense, Jerry Brown has sort of inserted himself between that super majority. He's kind of like the people's representative. He has this high approval rates because people know he's not going to spend this into oblivion. Does he have any prospects? What does he do after he's governor? He's not going to be president, I wouldn't think. He'll be eighty years old, like some of us.

George Steffes: We know how that is.

Lou Cannon: We know how that does to you. What do you think he might do?

George Steffes: I hope he just enjoys life. He's talking about going in a property and living out in the country and enjoying life, you know, but if something comes up, he'll go for it, because this is his life, actually. After he's been out of it a while, he may get very frustrated and find something to do.

Lou Cannon: I had a Republican leader, who, off the record, was a couple of years ago worried about the legislature, what legislatures were going to spend on something, and I said, "Do you think you'll prevail?" This leader said, "Yes, I think we will, but for reasons I can't say on the record," and the reason was Jerry Brown. She thought Jerry Brown wouldn't listen to a lot of stuff that was being proposed, and he didn't.